

INFORMATIONAL HEARING AND SITE VISIT  
BEFORE THE  
CALIFORNIA ENERGY RESOURCES CONSERVATION  
AND DEVELOPMENT COMMISSION

In the Matter of:	)	
	)	
Modify the Application for	)	Docket No.
Certification for the	)	01-AFC-7C
Russell City Energy Center	)	
_____	)	

ROOM 6  
CENTENNIAL HALL  
22292 FOOTHILL BOULEVARD  
HAYWARD, CALIFORNIA 94541

FRIDAY, DECEMBER 15, 2006

5:06 p.m.

Reported by:  
Peter Petty  
Contract No. 170-04-001

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMITTEE MEMBERS PRESENT

John L. Geesman, Presiding Member

Jeffrey D. Byron, Associate Member

HEARING OFFICER AND ADVISORS

Paul Kramer, Hearing Officer

Gabriel Taylor, Advisor

STAFF AND CONSULTANTS PRESENT

Dale Edwards

Tuan Ngo

Joseph Merrill

Lorne Prescott

Marc Sazaki

APPLICANT

Greggory Wheatland, Attorney  
Jeffery Harris, Attorney  
Ellison, Schneider and Harris

Mike Hatfield  
Jim McLucas  
Barbara McBride  
Calpine Corporation

Douglas M. Davy  
Sarah Madams  
CH2M HILL

AGENCIES

Mike Sweeney, Mayor  
Jesus Armas, City Manager  
City of Hayward

AGENCIES

Weyman Lee  
Bay Area Air Quality Management District

ALSO PRESENT

John McCarthy  
Charlie Cameron

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

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1 P R O C E E D I N G S

2 5:06 p.m.

3 PRESIDING MEMBER GEESMAN: I want to  
4 welcome everybody to the informational hearing for  
5 Russell City Energy Center petition for amendment.

6 I'm John Geesman, a Member of the  
7 California Energy Commission; and I'm the  
8 Presiding Member of our Standing Siting Committee.

9 To my immediate right is Paul Kramer,  
10 the Hearing Officer who will conduct tonight's  
11 hearing. To Paul's right is my colleague on the  
12 Commission, and on the Siting Committee, Jeff  
13 Byron. To his right is his staff, and, Gabe, I am  
14 blocking on your last name; I apologize for that.

15 MR. TAYLOR: Taylor.

16 PRESIDING MEMBER GEESMAN: Gabe Taylor.  
17 This is a petition that has been filed with the  
18 Commission by Calpine to amend the license that we  
19 granted Calpine four years ago for the Russell  
20 City Energy Center.

21 I think with that, Paul, I'll turn it  
22 over to you.

23 HEARING OFFICER KRAMER: Thank you.  
24 First, let's have the parties introduce themselves  
25 and their consultants. We'll start with the

1 applicant, Mr. Wheatland.

2 MR. WHEATLAND: Good evening; I'm Gregg  
3 Wheatland and I'm the attorney for the applicant.  
4 And I'll ask the other individuals that are here  
5 today from Calpine to introduce themselves,  
6 please.

7 MR. McLUCAS: I'm Jim McLucas, Project  
8 Engineer for Calpine.

9 DR. DAVY: My name's Doug Davy; I'm a  
10 consultant to the applicant to sustain Calpine in  
11 preparing the amendment.

12 MR. HATFIELD: My name is Mike Hatfield;  
13 I'm the Director for the project with Calpine.

14 MS. McBRIDE: I'm Barbara McBride;  
15 (inaudible) environmental --

16 MS. MADAMS: Sarah Madams working with  
17 Doug Davy in helping Calpine.

18 HEARING OFFICER KRAMER: Anyone else?  
19 Staff.

20 MR. EDWARDS: My name is Dale Edwards;  
21 I'm currently a Supervisor in the environmental  
22 office; but in the not-too-distant future I'll be  
23 becoming the Compliance Program Manager, which, as  
24 you may know, the compliance program is the one  
25 that handles amendments at the Energy Commission

1 for the siting division.

2 So I'm filling in for Jeri Scott who  
3 would normally be here. She's the Compliance  
4 Project Manager for this project. To my right is  
5 Tuan Ngo, an air quality specialist in the  
6 environmental office.

7 We also have with us today Joseph  
8 Merrill, who's an assistant to Jeri, as far as  
9 project management in the siting office. And  
10 Loren Prescott, who's a Project Manager relatively  
11 new to the Commission, so he's here to kind of see  
12 how things go. And Marc Sazaki, excuse me,  
13 biologist.

14 HEARING OFFICER KRAMER: Thank you. Do  
15 we have anyone who's planning on intervening in  
16 this case in the audience who would like to  
17 identify themselves?

18 Representatives of the City? Do you  
19 want to --

20 Before anyone else speaks, let me point  
21 out that the court reporter to my left is taping  
22 this and it will be transcribed later. So, to  
23 help him out, you all need to be pretty near to  
24 one of the microphones, which would be the one by  
25 the podium there for members of the public.

1                   And also, if you want your name to be  
2           properly spelled in the transcript, make sure that  
3           he's taken that down at some point. You can  
4           either spell it out when you speak, or give him a  
5           business card later. Otherwise you risk not being  
6           able to recognize yourself, perhaps.

7                   So, any representatives from the City,  
8           if you could come to the microphone and identify  
9           yourselves.

10                   MR. SWEENEY: My name is Mike Sweeney;  
11           I'm the Mayor of the City of Hayward. That's  
12           S-w-e-e-n-e-y. Would you like me to make my  
13           comments now or wait until later?

14                   HEARING OFFICER KRAMER: Go ahead now if  
15           you'd like.

16                   MR. SWEENEY: My concerns, as a  
17           relatively newly elected official in the City of  
18           Hayward and not on this Council when this project  
19           originally came before the community, was really  
20           called out in your December 11th memo regarding  
21           air quality.

22                   Your staff seems to have identified a  
23           number of potential problem areas with the  
24           amendment and air quality standards.

25                   So I hope you'll keep in mind that the



1 net benefit in terms of air quality to the  
2 citizens of Hayward should always be kept in mind  
3 as this process moves forward. When you're  
4 looking at offsets, when you're looking at  
5 tradings, those net benefits should accrue to the  
6 citizens of Hayward to have offsets that might  
7 come from other places in the Bay Area or in  
8 California to benefit this project, but could  
9 result in a net diminishment of the air quality  
10 for the citizens of Hayward, would clearly not be  
11 appropriate; and would not be supported by our  
12 Council, in my opinion, or the citizens of our  
13 community.

14 Your staff raises a number of good  
15 questions regarding NOx and other potential issues  
16 that obviously need to be resolved.

17 We hope that you will insist that those  
18 issues again are resolved, again to the net  
19 benefit of the citizens of Hayward.

20 Given some of these air quality issues I  
21 think it's also appropriate to ask that some  
22 thought and research go into any potential odor  
23 issues that might go along with some of these  
24 issues. Given that the way the prevailing winds  
25 operate in this area, will bring any odors that

1 are at play into the industrial area and  
2 residential areas of the City of Hayward.

3 So those are my concerns; and would  
4 request that you all keep these concerns,  
5 especially regarding air quality, in mind. Thank  
6 you.

7 HEARING OFFICER KRAMER: Thank you.

8 PRESIDING MEMBER GEESMAN: Thank you.

9 ASSOCIATE MEMBER BYRON: Thank you.

10 MR. ARMAS: I'm Jesus Armas; I'm the  
11 City Manager. First name is spelled J-e-s-u-s;  
12 the second is spelled A-r-m-a-s.

13 As the Mayor indicated, the City Council  
14 in office prior to him did endorse this project  
15 and did support moving forward with the amendment.  
16 Of course, the issue paper that was posted on the  
17 website did identify air quality as an issue that  
18 needs a fair amount of discussion. And so we  
19 welcome working with the CEC Staff to explore  
20 those fully and make sure that they're adequately  
21 addressed.

22 We recall when the original application  
23 was submitted we did go through an extensive  
24 process of review of those issues; and found that  
25 there was a good dialogue and a good discussion

1 and analysis. And we look forward to a comparable  
2 evaluation in this go-around.

3 I also note that many of the other items  
4 have been identified as not raising any  
5 significant issues, and that's positive news,  
6 because it is obviously something that otherwise  
7 would be of concern to the Council and to the  
8 residents.

9 With the satisfactory addressing of the  
10 air quality issues I think everybody will be  
11 comfortable that that the concerns have been  
12 addressed.

13 We're going to be here, and as questions  
14 may arise, we're certainly available to help you  
15 respond to anything that may come up.

16 HEARING OFFICER KRAMER: Let me ask you  
17 a question. I think we should put the City on our  
18 proof of service list to make sure you get all the  
19 documents in this case. Who would be the best  
20 person that we'd address them to?

21 MR. ARMAS: Actually, I think we just --  
22 the reason I received your issues statement is I'm  
23 already on that list. So, thank you.

24 HEARING OFFICER KRAMER: Okay, so it  
25 would be to you?

1 MR. ARMAS: Yeah.

2 HEARING OFFICER KRAMER: Okay.

3 MR. ARMAS: Thank you.

4 HEARING OFFICER KRAMER: Thank you. Any

5 other representatives of the City? The County?

6 The Bay Area Air Quality Management District?

7 Could you introduce yourself?

8 MR. LEE: I am Weyman Lee; that's first

9 name spelled W-e-y-m-a-n; last name Lee, L-e-e.

10 And I'm the Senior Air Quality Engineer. And I'll

11 be reviewing the application from Calpine for the

12 determination of compliance.

13 HEARING OFFICER KRAMER: Thank you for

14 coming. Does anybody else in the audience wish to

15 identify themselves at this point? Can you come

16 to the mike?

17 MR. MCCARTHY: My name is John McCarthy;

18 I still live in Hayward. I've recently, and for

19 awhile, been involved in some environmental issues

20 related to base closure, going back to '93.

21 Currently with regard to Hunter's Point Navy Yard.

22 Relating to issues that were supposedly

23 addressed, I have several questions. As an

24 emergency management issue, what would make this

25 site proposal any more secure? Well, I wondered,

1 with a high concentration of natural gas plumbing  
2 in close proximity of -- meaning one mile or  
3 less -- to medium density housing and various  
4 school sites, what in an enlightened public policy  
5 direction is this; thanks.

6 Proposed on a location clearly  
7 identified in the City's general plan binder as  
8 high potential for liquefaction, are we not  
9 looking forward to the next big one on the Hayward  
10 Fault Line? What a combination.

11 Proposed first among two power plant  
12 proposals in the same area, with a second gas-  
13 fired plant proposal application already fast-  
14 tracked over the City's discretion, in more  
15 immediate proximity to the same housing and  
16 schools.

17 How necessary is all of this? Are there  
18 no better locations per liquefaction or downwind  
19 hazards? What are the demand response spinning  
20 reserve demonstration project in lieu of power  
21 plants? And what of solar power investments which  
22 people seem to have a very short memory on. Short  
23 memory on the state of technology; short memory on  
24 the relevance of solar power; and short memory on  
25 what the lineup is of vested interests. Big oil

1       versus another kind of power.

2               Thank you.

3               HEARING OFFICER KRAMER:   Thank you.

4       There will be a time after the presentations for  
5       other people to ask questions.  If someone just  
6       wants to identify themselves now, please come up.

7               MR. CAMERON:  Yes, good evening.  The  
8       name's Charlie Cameron, C-a-m-e-r-o-n.  I didn't  
9       have an opportunity, as of yet, to review the  
10      copies at the Hayward main library as we speak.  I  
11      wanted to get some information and I got some of  
12      the information.

13              Maybe you could just let us know, give a  
14      jump-start, what is the next step to get comments  
15      in; what is the next step for deadlines.  We all  
16      have a pressing schedule and a little bit of a  
17      life.

18              So, that I'd like to possibly address  
19      that now.

20              HEARING OFFICER KRAMER:  Well, are you  
21      about to leave, because --

22              MR. CAMERON:  No.

23              HEARING OFFICER KRAMER:  -- most of that  
24      should be covered during the presentations.

25              MR. CAMERON:  Oh, sure.  Now we know.

1                   HEARING OFFICER KRAMER: And to the  
2                   extent you feel you're missing something, go ahead  
3                   and ask a question afterwards.

4                   MR. CAMERON: No, I'll send in comments  
5                   and I have a number of issues and concerns, but  
6                   I'll -- when do they have to be in? Maybe you  
7                   could answer that one. What is the deadline or  
8                   next steps?

9                   HEARING OFFICER KRAMER: Okay, well,  
10                  I'll leave that to them, actually to them. I'm  
11                  used to the applicant being on the other side.

12                  But that's a good opportunity for me to  
13                  segue into my outline. And again remind everyone,  
14                  we're here today just to provide information and  
15                  to hear public comments on this proposed  
16                  amendment. No decisions are being made as of yet.  
17                  The staff is just beginning its analysis.

18                  Before this meeting we had a site visit  
19                  to the new location, proposed location for the  
20                  power plant. On November 17th the Russell City  
21                  Energy Company, LLC, filed a petition to modify or  
22                  amend their project, which was originally approved  
23                  by the Energy Commission in September of 2002.

24                  The modified project would remain a 600  
25                  megawatt combined cycle power plant consisting of

1 two natural gas-fired turbines and associated  
2 equipment.

3 The amendments would move the project  
4 approximately 1300 feet northwest of the  
5 previously approved location. And that would now  
6 be southwest of the intersection of Depot Road and  
7 Cabot Boulevard.

8 There are, of course, other aspects to  
9 the amendment, but I'll leave it to the parties to  
10 describe those in a moment.

11 Notice of today's events was mailed on  
12 November 29th to all the parties, adjoining  
13 landowners, government agencies and other  
14 individuals, basically from a mailing list that  
15 was left over from the previous case. Also it was  
16 published, the notice that is, in The Hayward  
17 Daily Review on December 10th.

18 Today's hearing is the first in a series  
19 of formal Committee events. Eventually the  
20 Committee will issue a proposed decision with its  
21 recommendations on the proposed amendment. And  
22 that'll be a recommendation to the full five-  
23 Member Energy Commission.

24 The one kind of technical legal point I  
25 need to emphasize tonight is that the Committee's



1 decision must be based solely on the evidence  
2 that's presented at its hearings. It can't be on  
3 something that somebody, you know, knows or heard,  
4 heard from their barber or whatever. It has to be  
5 evidence that's presented at a hearing where  
6 everyone else is present and can hear the evidence  
7 and respond to it if they feel they need to.

8 That evidence can include written  
9 materials that are submitted to what we call the  
10 docket, which is the official file on this case.

11 But in order to make that rule work,  
12 members of the public or the applicant or staff  
13 cannot have private conversations with members of  
14 the Committee, and that would include Mr. Taylor,  
15 the Commissioners, myself, and Mr. Geesman's  
16 Advisors, if any of them are contacted.

17 The idea being that any contact has to  
18 be in public or occur in some sort of written way  
19 that it can be shared with everyone else, so that  
20 there are no surprises, no secret evidence, if you  
21 will, that is relied on to prepare the decision.

22 We call that the ex parte rule. I never  
23 took Latin in school, so I don't know exactly what  
24 that translates to, but if you are talking to one  
25 of us and we stop you and say, look, we really

1       can't talk about that with you, that's the reason  
2       why.

3               As far as your finding out what's going  
4       on with this case, the Commission has, what I  
5       consider, at least to be, a very good website.  
6       All the significant documents that are put into  
7       the docket are posted on the website. So if your  
8       internet access is easily accessible to you,  
9       that's probably the quickest and the best way to  
10      get information about the case.

11             Now, the gentleman that spoke a minute  
12      ago, I happen to have an extra CD of the  
13      application in this case. And if you'd like that,  
14      you're welcome to come get it from me, if that  
15      helps you. And you could look at it on your  
16      computer rather than having to go to the library.

17             But that's one point I wanted to make  
18      tonight, is that if you can use the internet  
19      you'll find it's very helpful in getting  
20      information and keeping up with what's going on in  
21      this case.

22             I don't see that the Public Adviser is  
23      here; he was supposed to be, a representative of  
24      our Public Adviser. But the Public Adviser is a  
25      part of the Energy Commission. It's a separate

1 unit whose purpose is to assist members of the  
2 public in participating in our processes.

3 If the representative were here -- I'll  
4 try to give you the high points of their -- we'll  
5 be giving you contact information later. But --

6 MR. EDWARDS: That's also part of my  
7 presentation, the public participation.

8 HEARING OFFICER KRAMER: Okay, so  
9 ultimately then I'll just say to members of the  
10 public, if you have any questions about how to  
11 participate in this process, we encourage you to  
12 contact the Public Adviser's Office. They can't  
13 give you legal advice; they can't represent you;  
14 but they can give you advice and assistance with  
15 dealing with the technicalities of our process and  
16 participating in it.

17 And Mr. Edwards' presentation has a  
18 number in it; and you can get it from any of us if  
19 you need to, after the meeting.

20 So, the next order of business is for  
21 the parties, that would be the applicant and then  
22 staff, to present information about -- in the  
23 applicant's case, about the proposed project as  
24 it's proposed to be amended. And in the staff's  
25 case, about how they go about analyzing the

1 application and the process that we're going to  
2 see occur down the road.

3 So I think we will bale out because  
4 otherwise we will blinded; and we'll turn it over  
5 to the applicant.

6 MR. HATFIELD: Okay, is this a live  
7 mike? This mike working?

8 My name is Mike Hatfield,  
9 H-a-t-f-i-e-l-d. I'm Director of the project with  
10 Calpine Corporation.

11 I'd be happy to use the microphone; I  
12 just wanted to --

13 ASSOCIATE MEMBER BYRON: Push and turn  
14 the button halfway down; push it and turn it  
15 halfway.

16 MR. HATFIELD: Ah, okay. Thank you,  
17 Commissioner.

18 First, I'd like to thank all of you for  
19 coming tonight. Commissioners, we appreciate you  
20 making time in your schedule, and the CEC Staff.  
21 Especially like to thank the representatives of  
22 the City of Hayward, the Mayor and City Manager,  
23 members of government and members of the public.  
24 Thanks for taking the time.

25 I'm going to give you just a very brief

1 overview of the project. It's just intended to  
2 give you a summary of the changes that are being  
3 proposed. I'll introduce it, but I'm going to ask  
4 my colleague, Jim McLucas, to get into some of the  
5 specifics.

6 And it looks like we've got some  
7 technical difficulties there. So, hang on a  
8 second.

9 (Pause.)

10 MR. HATFIELD: So the project is called  
11 Russell City Energy Center. It's designed to meet  
12 the priorities of the San Francisco Bay Area.  
13 Thank you for the lights. The California Public  
14 Utilities Commission recently, a little over a  
15 year ago, issued some instructions to California's  
16 utilities, including PG&E, to enhance its own  
17 supplies of power by going out to secure  
18 additional power to meet, in this case, the San  
19 Francisco Bay Area's growing energy needs.

20 And Calpine, through its company,  
21 Russell City Energy Company, signed a letter of  
22 intent with PG&E back in March of 2006. We were  
23 selected through a competitive process to provide  
24 power -- to sell power to PG&E.

25 As Mr. Kramer has mentioned, the project

1 is essentially as was described in the original  
2 application, it's a 600 megawatt, 2-by-1 combined  
3 cycle plant; meaning it's natural-gas fueled with  
4 two combustion turbines. The exhaust heat from  
5 the combustion turbines is then re-used in a steam  
6 turbine. And these are highly efficient, very  
7 clean, state-of-the-art plants.

8           There's enough power here to serve over  
9 a half-million people in the Bay Area. And it's  
10 been sited strategically here in Hayward because  
11 it fits well within PG&E's existing transmission  
12 system to serve the local area.

13           The California Public Utilities  
14 Commission approved our PPA, together with a  
15 number of other PPAs, in a proposed decision back  
16 in October 17th that was then issued as a final  
17 decision on December 4th, I think it was. And it  
18 will become final and non-appealable in the first  
19 of the year.

20           We do have a partner in this project.  
21 It's General Electric. They're going to own 35  
22 percent of the project company which we call  
23 Russell City Energy Company. One of the  
24 considerations the Public Utilities Commission  
25 took into account was the financial strength of

1 General Electric. You can read the quote there as  
2 their view is, it was undisputed to be one of the  
3 nation's soundest counterparties. So that bring  
4 to the parties some financial strength.

5 Our part in the project is we're  
6 contributing equipment. We have gas turbines; we  
7 have the site; permits; the emission reduction  
8 credits in connection with the original permit;  
9 and, of course, to seek the required approvals of  
10 which this is the first step.

11 We do have existing permits in place.  
12 The Energy Commission's certification was received  
13 back in September 11th of 2002. And the Bay Area  
14 Air Quality Management District issued an air  
15 permit May 14th of 2003. And as I mentioned, the  
16 ERCs were surrendered.

17 But we do have a number of approvals  
18 going forward. The CEC approval process for this  
19 amendment. There is a representative here from  
20 the Bay Area Air Quality Management District that  
21 will need to approve the modifications we're  
22 seeking for the air permit. And then the utility,  
23 itself, PG&E, has a number of filings with the  
24 California Public Utilities Commission in  
25 connection with the transmission system.

1           I should emphasize we're using the  
2       existing transmission system that PG&E has in  
3       place. There are some what are called  
4       reconductorings, where essentially they replace  
5       cables alongside the existing towers to  
6       accommodate the additional power that the project  
7       would put into the system.

8           And I do also want to acknowledge the  
9       Mayor's comment. We share the view that air  
10      quality is a very important issue for this  
11      project. There is dual review, both through the  
12      CEC air quality staff, as well as the Bay Area Air  
13      Quality Management District. So we do appreciate  
14      your comments there.

15           I'd like to turn it over now to Jim  
16      McLucas, who is the engineer on the project. And  
17      I'm just going to ask him to talk a little bit  
18      about how the project is configured and remains  
19      configured from how it was approved back in 2002.  
20      And then just go through a brief summary of some  
21      of the changes that we're requesting under this  
22      amendment.

23           MR. McLUCAS: I'm just going to talk  
24      about first the project elements that are still  
25      the same as the originally licensed project. It's



1        contiguous with the City's wastewater treatment  
2        plant. For those of you who went on the site  
3        tour, it's about, from corner-to-corner, about 100  
4        yards away. It's located in an area that's zoned  
5        industrial; and more importantly, presently used  
6        for industrial purposes.

7                The equipment that's going to be used  
8        for the project, the combustion turbines, are the  
9        identical units to what was in the original  
10       licensing. They're Siemens Westinghouse 501FD2s.  
11       Still a combined cycle plant utilizing steam  
12       turbine, heat recovery steam generators for  
13       recovering the exhaust heat and generating steam.

14               The amount of duct firing, which is  
15       supplemental gas that's injected into the heat  
16       recovery steam generators for peaking, is the same  
17       as it was before; the same nominal output, as  
18       well.

19               The project will still use recycled  
20       water that will be made from the effluent from the  
21       City's treatment plant. Inside the fence there  
22       are a number of changes relative to how that water  
23       is being treated. But the net result is that  
24       we're still using recycled water; and we will not  
25       be discharging water, as we were before; but will,

1       instead, be including a zero liquid discharge  
2       system as part of our treatment inside the fence.

3               So instead of water being discharged  
4       back to the City, there will be a salt cake that  
5       will be hauled offsite.

6               Gas will still come from PG&E line 153,  
7       which is the distribution pipeline that runs  
8       parallel to the railroad tracks. The  
9       interconnection point will still be PG&E's  
10      Eastshore Substation, which is about a mile to the  
11      south. And the transmission lines from the  
12      Russell City Energy Center to the substation will,  
13      again, follow the PG&E corridor, although going  
14      from the corridor to the project switchyard,  
15      itself, will require a slight variation of the  
16      route. And there's two routes that are being  
17      considered there.

18              Again, aqueous ammonia will be used for  
19      the emissions control equipment.

20              Some of the improvements that we've made  
21      to the project include that the site now will no  
22      longer require relocation of the KPAX radio  
23      towers. The previous location had some impacts on  
24      seasonal wetlands. It was closer to marsh areas  
25      where there was a potential for impacts to

1       endangered species. And it then would require  
2       relocation of the towers to an area that was close  
3       to East Bay Regional Park District trailhead.

4               Moving to the northwest reduces visual  
5       impacts from highway 92 and the Hayward Shoreline  
6       Interpretive Center. If you go out and look from  
7       the Interpretive Center where the plant was  
8       before, it was kind of in line of sight to Mt.  
9       Diablo. Now, it's further to the north and  
10      partially obstructed by a number of buildings in  
11      the area.

12             In addition, we've eliminated the  
13      architectural screen that was a concern from the  
14      standpoint that it could provide perches for  
15      raptors that could then feed upon some of the  
16      endangered species in the area.

17             The industrial -- it includes the  
18      industrial renovation of a brownfield site.  
19      Currently the portion of the site's used for, you  
20      know, sludge drying; another portion is a pallet  
21      yard and some wrecking yards, as well.

22             It says we've eliminated the standby  
23      generator NOx boiler, that's not quite true.  
24      We've eliminated the standby generator; there was  
25      never a NOx boiler. So we didn't get that

1 corrected on that slide, apparently.

2 MR. HATFIELD: Missed it, Jim.

3 MR. McLUCAS: The BACT level for our  
4 emissions, it's now lower; so we'll be reducing  
5 our NOx concentration from 2.5, which is in the  
6 original license, down to 2.0. And CO from 6.0  
7 down to 4.0.

8 From the wastewater treatment standpoint  
9 I mentioned already the zero liquid discharge.  
10 So, the reason we're going to zero liquid  
11 discharge on the project is for concern with  
12 metals that would be in the effluent; and the  
13 concentration of those metals in our cooling  
14 tower.

15 When we evaporate the water in the  
16 cooling tower it leaves behind all of the  
17 dissolved solids including any metals. And so  
18 those get concentrated up. By going with zero  
19 liquid discharge we're able to then concentrate  
20 those metals up and precipitate them out in the  
21 salt cake, which means they won't be going into  
22 the outfall and discharged into the Bay.

23 And the City of Hayward fully supports  
24 the improved project. We've worked very closely  
25 with the City on all of the revisions that we're

1 making to improve the project, and are  
2 incorporating their desires along the way.

3 We don't need to go through that, right?  
4 Everything we've seen on the tour?

5 MR. HATFIELD: I think you've all seen  
6 that on the tour; and there's also exhibits behind  
7 me here that we can -- happy to walk anybody in  
8 the audience through after the presentation.

9 So, then just in terms of project  
10 milestones, our schedule is set by our desire to  
11 meet our customer's requirement; PG&E to have  
12 commercial power available in June of 2010. And  
13 so we're starting the process now with this filing  
14 with the Energy Commission.

15 We've also filed an application just a  
16 few days later with the Air Quality District.  
17 We're working towards a schedule seeking approvals  
18 in June of 2007, with both the CEC and the Air  
19 District.

20 PG&E, in parallel, is working with the  
21 California Public Utilities Commission in  
22 connection with the transmission system for final  
23 approvals in September of 2007. In part, they  
24 rely upon the CEC amendment approval, so it's a  
25 subsequent step, at which point we would be

1 planning to award an engineering procurement and  
2 construction contract to the contractor that would  
3 build the plant.

4 And at the same time, our partner, GE,  
5 and Calpine would be securing financing to build  
6 the project. We would start construction by  
7 mobilizing the site in May of 2008. And be in a  
8 position to actually go through the startup and  
9 commissioning process, which would start in  
10 October of 2009 to meet our June 2010 COD.

11 So, that's a very summarized version of  
12 the project changes. As Jim mentioned, we're  
13 working with the CEC. There'll be a lot of  
14 detailed information provided that's available to  
15 the public. And we're also available to answer  
16 questions afterwards. And all of our responses  
17 that we will provide in response to public  
18 questions and questions from the CEC Staff and the  
19 air quality staff, is also a matter of public  
20 record. So it's a pretty open process.

21 HEARING OFFICER KRAMER: We'll have  
22 questions from the public later, but before you  
23 shut that down, could you flip back one slide to  
24 the aerial shot?

25 Can you show us where the City and

1 County boundary line currently is on the site?

2 MR. HATFIELD: I might refer that  
3 question to the City Manager, or at least I'll  
4 take a shot at it, and you can correct me, Jesus.

5 But the City boundary is right here and  
6 north of that is a County island that's in the  
7 process of being annexed into the City. And,  
8 Jesus, you're familiar with that process.

9 MR. ARMAS: If you see the purple box to  
10 the -- the outline of the purple box to the north,  
11 the southern line would be the approximate  
12 boundary line. And as Mr. Hatfield mentioned, the  
13 City is concluding an annexation process.

14 It was scheduled to go to the local  
15 agency formation commission meeting on the 25th of  
16 January. That has been rescheduled for one week  
17 later, February 1st. Both the City and the County  
18 have taken -- or will take a variety of actions to  
19 culminate that application. And so we expect it  
20 to be favorably considered on the first of  
21 February.

22 HEARING OFFICER KRAMER: I guess I'm  
23 still a little bit unclear. So, what -- maybe it  
24 would be better if you just could tell me the  
25 outlines of the unincorporated area.

1                   MR. ARMAS:  If somebody has a laser  
2     pointer, because I'm not tall enough to be able to  
3     do what Mike did.

4                   (Laughter.)

5                   UNIDENTIFIED SPEAKER:  -- this picture  
6     over here.

7                   MR. ARMAS:  No, he wants to show the  
8     audience.

9                   HEARING OFFICER KRAMER:  They can all  
10    see that, too, though.

11                   (Parties speaking simultaneously.)

12                   MR. ARMAS:  This is the City's  
13    wastewater treatment plant.  The islands are  
14    roughly this.  So this area is in the County and  
15    is the subject of the annexation.  Everything else  
16    is in the City.

17                   HEARING OFFICER KRAMER:  So it would be  
18    fair to say the northern half of the proposed  
19    project site, then, is in the County right now?

20                   MR. ARMAS:  Well, the northern portion;  
21    I don't know if it represents a half.

22                   HEARING OFFICER KRAMER:  Roughly.  
23    Excluding the little fingers that go to the north.

24                   MR. ARMAS:  Right.  If you carry this  
25    yellow line roughly about to here, this area --



1 the county.

2 HEARING OFFICER KRAMER: Okay. Let me  
3 ask the applicant then, does that line bisect any  
4 of the equipment on the site, or --

5 MR. HATFIELD: Actually the equipment --  
6 well, -- thank you. Most of the equipment, what  
7 we call the power island, will be located this  
8 portion of the site.

9 HEARING OFFICER KRAMER: Okay, the  
10 southern portion that's in the City now.

11 MR. HATFIELD: The cooling tower will  
12 transect it. The switchyard will be located on  
13 what is currently County.

14 Now, when the annexation occurs is that  
15 going to become City?

16 MR. ARMAS: Yeah, --

17 MR. HATFIELD: So, presumably by  
18 February --

19 MR. ARMAS: Approximately 30 days after  
20 the decision it'll be in the City.

21 HEARING OFFICER KRAMER: Don't you have  
22 to allow for protests and that sort of thing?

23 MR. ARMAS: These happen to be islands  
24 that under the island -- law are -- because they  
25 are fully surrounded by the City, and -- certain

1 acreage, are not subject to the (inaudible).

2 HEARING OFFICER KRAMER: Did that  
3 complete your presentation then?

4 MR. HATFIELD: Yes.

5 HEARING OFFICER KRAMER: Okay. Staff.

6 (Pause.)

7 MR. EDWARDS: While he's loading that up  
8 I have a copy of a handout for everybody here of  
9 what I'm going to present. So everybody who would  
10 like one, we'll pass it out.

11 Again, I'd like to thank everybody for  
12 coming out this evening. My name is Dale Edwards  
13 with the Energy Commission Staff. And it is the  
14 staff that will be doing the analysis of the  
15 proposed petition for changes to the project.  
16 And as you all know, we're here today at this  
17 informational hearing just to start this ball  
18 rolling.

19 Next slide. Jeri Scott, as I said  
20 earlier, is the Compliance Project Manager, who  
21 actually will be your point of contact for this  
22 project. And I'm kind of filling in for her  
23 today. Although I will have my own business  
24 cards, if anybody would like to have a direct  
25 follow-up person; I'll certainly give you one of

1 my cards, as long as they last. And through me  
2 you can get to Jeri.

3 Just a quick overview of this. It's  
4 really not so pertinent to what we're doing here  
5 today because this project has already been  
6 certified, but the Energy Commission's siting  
7 authority does apply to power plants that are  
8 greater than 50 megawatts, thermal power plants,  
9 that is. And also the related facilities that are  
10 listed there.

11 Certainly the largest or most important  
12 of those -- they're all important, but the  
13 transmission line facilities which are above-  
14 ground; and some of the other items are below-  
15 ground, so they're not as noticeable. Access  
16 roads and such. In this case we pretty much have  
17 all the roads we need already in place.

18 Next slide. So what we're talking about  
19 here today is the start of an amendment process  
20 that was initiated by the applicant when they  
21 filed the petition on November 17th with the  
22 Commission.

23 And there are some particular elements  
24 of the petition process, or the amendment process.  
25 This comes out of the, basically out of the

1 regulations for our compliance process, or amended  
2 process. These are the types of -- there's an  
3 amendment can be done to a decision for a thermal  
4 power plant if it is issued a license, if it finds  
5 that the project will mitigate all significant  
6 impacts; if the project will remain in compliance  
7 with all applicable LOS, which is the laws,  
8 ordinances, regulations and standards; that the  
9 change will be beneficial to the public, project  
10 owner or intervenors.

11 And that there has been a substantial  
12 change in circumstances since the Commission  
13 certified the project. And this is one of the key  
14 ones, the last one there. And certainly we have a  
15 substantial change to this project. And we just  
16 heard a list of changes to the project. Several  
17 of them beneficial, in fact.

18 Going on with the amendment process, it  
19 is a -- it starts off with the petition to modify  
20 an existing power plant project, or in this case,  
21 one that has already been permitted, not yet  
22 existing. But it's primarily to modify the  
23 Commission decision for that power plant, which is  
24 what we're talking about doing in this case.

25 The Energy Commission is the lead agency

1       for this process. And as part of the process  
2       staff will be preparing a staff assessment, and  
3       also an errata. This is different than what's  
4       normally done in a full siting case where there is  
5       a preliminary staff assessment and a final staff  
6       assessment, which are both fairly significant  
7       documents.

8               In this case, because it's a change to  
9       an existing license, which staff has already  
10      reviewed the original project, we'll be producing  
11      a staff assessment which will be much like -- we  
12      hope much like the final staff assessment done for  
13      a standard project.

14             I think there will be some differences,  
15      though, because in some areas there may not be  
16      very much change that affects the previous  
17      analysis. So we're going to do what we can to  
18      keep the analysis -- not the analysis, itself, but  
19      the presentation of any changed information to a  
20      minimum. Only where there has been a change that  
21      affects a technical discipline would we go into  
22      that.

23             And I think it was mentioned earlier  
24      that there are about 20 different technical  
25      disciplines that the staff looks at in a power

1 plant siting case. In this case, since we have  
2 changes that cover many areas, but not all, so  
3 those that are not affected by the changes we'll  
4 try to do less presentation, but referring back to  
5 the original decision.

6           So we have the -- an errata would be  
7 based on the information that we -- once the staff  
8 assessment is released for public review and  
9 comment, and for agencies, as well, the  
10 information that we receive back, as far as  
11 comment on that, we will use to produce an errata  
12 rather than another full document again.

13           So we'll have one primary document and a  
14 short form response-to-comment type document to  
15 follow. And that will become the staff's  
16 contribution to the evidentiary record, if you  
17 will, that the Committee will be using in this  
18 case.

19           So, once staff has produced that  
20 document; it's been out for review; we do the  
21 errata. Then it's the Siting Committee, who  
22 you've already been introduced to, or the  
23 Committee in this case, will hold the evidentiary  
24 hearing or more than one hearing, if necessary.  
25 And will prepare a proposed decision.

1           It is that proposed decision that will  
2       be put up for full Energy Commission consideration  
3       at a business meeting, to make it a final decision  
4       on behalf of the Energy Commission in total.

5           Through our process, which is very  
6       similar to the original siting case for the whole  
7       project, we will have quite a bit of contact with  
8       various state, federal and local agencies. In  
9       this case, the City of Hayward certainly will be  
10      in direct contact with in particular. And we're  
11      talking about those laws, ordinances, regulations  
12      and standards, staff has to make sure that since  
13      the time that we originally looked at the project,  
14      some four or so years ago, that those same  
15      policies and requirements of law have remained the  
16      same. Or have they changed?

17           The applicant's provided some  
18      information to staff, but we also go further and  
19      make sure we're totally accurate with the current  
20      circumstances before we proceed with our analysis.

21           Likewise, the regional contacts would be  
22      with Alameda County and with state. We have a  
23      series of agencies, including the Bay Area Air  
24      District, the Department of Fish and Game,  
25      Regional Water Quality Control Board. I'm sure

1       there will be others which aren't listed.

2               And we usually have, as a federal  
3       contact, the Environmental Protection Agency,  
4       which largely falls into the air quality arena,  
5       again.

6               This is somewhat of a timeline. And  
7       unfortunately I had written on my notes in red,  
8       and red doesn't show up real good in the light I'm  
9       sitting under. So, I'll get to a schedule in a  
10      minute; it's going to have the dates that I was  
11      kind of giving you a preview of.

12              But just to show you that where we are  
13      right now is the petition has been filed, as I  
14      said, as of November 17th. Data requests and the  
15      IIR that are in that box, that's the IIR has  
16      occurred. That's the issues identification report  
17      which was issued recently. And we brought copies  
18      here today for those that haven't seen it yet. We  
19      can also hand those out to you. That'll be  
20      available after the presentation.

21              Data requests have not occurred yet.  
22      They will be -- I think it is at the 20th of this  
23      month we plan to release those data requests. And  
24      then applicant will have a period of time to  
25      respond to those, which will lead staff into the



1 analysis phase which I was describing earlier,  
2 about the staff assessment document that will be  
3 released, and the errata to follow.

4 And then hearings on behalf of the  
5 Committee will be held. The proposed decision,  
6 and leading up to the final decision, which is  
7 expected in June of 2007, as was previously  
8 stated.

9 Next. The Commission contacts, you've  
10 already -- you've met Commissioner Geesman and  
11 Commissioner Byron and also Paul Kramer has been  
12 your Hearing Officer, speaking most of the time  
13 thus far.

14 Jeri Scott is, as I said, is the  
15 Compliance Project Manager, is your first point of  
16 contact for the staff. That's her information  
17 there. So if you get a copy of this handout,  
18 you're going to have the phone numbers and email  
19 addresses you need. Like I said, I still have my  
20 business cards I'll pass out to some of you, if  
21 you like.

22 Margret Kim is our Public Adviser. And  
23 she has Associate Public Advisers. And in this  
24 case a fellow named Mike Monasmith is the  
25 Associate assigned to this case. And he was

1       unable to make it today, but I did speak with him  
2       briefly and I spoke to him about the fact that --  
3       I think it's the next slide -- I'm going to talk  
4       about public participation a little bit. So  
5       that'll cover some of the ground that he would  
6       have covered anyway.

7               These contact numbers are effective for  
8       anybody in the Public Adviser Office. And like I  
9       said, if you get one of these handouts you'll have  
10      that information with you.

11             So, for public participation, the Energy  
12      Commission process, whether it be for a siting  
13      case or for an amendment process, is an open  
14      process which involves public workshops and public  
15      hearings.

16             In this case we'll be providing notice,  
17      public notice via the mail and through our  
18      website, as well, a minimum of ten days in advance  
19      to give everybody adequate notice to be able to  
20      participate to the maximum extent possible.

21             We also are using mailing lists that  
22      were produced for the original siting case for the  
23      Russell City project. And that provides  
24      information on property owners and various public  
25      that were interested in the original project, and

1       also the agencies that were previously involved.

2               And we have community outreach through  
3       the Public Adviser's Office, and to a certain  
4       degree from our staff, as well.

5               And as was mentioned, I think, earlier  
6       that the public libraries in Hayward, or at least  
7       one public library in Hayward has a copy of the  
8       petition to amend. They're also available at the  
9       Energy Commission library in Sacramento.

10              And information is available on the  
11      website, which you can't read here, but it does  
12      come through on the handouts that we have, as far  
13      as the link to our website.

14              And the dockets unit that's noted below  
15      is where you can write to obtain copies of any  
16      document that's been filed on the case; or you can  
17      come to Sacramento and review the docket  
18      information directly.

19              I mentioned the issues identification  
20      report, which has just been released. The purpose  
21      of this report is to inform the participants, and  
22      that includes the public that's just generally  
23      interested in the project, itself, but basically  
24      everybody. It informs everybody, including the  
25      Commissioners, about the issues that staff has

1 identified early in the process regarding the  
2 petition.

3 So, it is an early focus. It's not  
4 complete yet in the sense that it happens so early  
5 staff hasn't had a chance to do a complete  
6 analysis or even a half-complete analysis. It's a  
7 very initial look at what we see in the petition.

8 And that's where we say it's not  
9 limiting, in that there could be other issues that  
10 may come up later on once we get further into it  
11 with more detail.

12 The word criteria here I think would be  
13 better if it said sources, because the sources of  
14 our information to understand what the issues  
15 might be, is the amendment petition, itself; the  
16 responses to the data requests that staff will  
17 issue; and also the information provided by  
18 agencies and other participants during the  
19 process.

20 And speaking of issues, these are the  
21 ones, in a much condensed form, that were provided  
22 in the issues identification report. And I have  
23 Tuan Ngo here with me who's our air quality staff  
24 person working on this project, who wrote these  
25 issues and who is best to answer them for anybody

1       who has any questions. Because I'm not going to  
2       attempt that, other than to let you read what's up  
3       here.

4               So there are three issues, sub-issues,  
5       if you will, under air quality that we've  
6       identified at this point in time. And I think  
7       perhaps even the applicant has some information  
8       that they could share with us and help us  
9       understand at least one of these issues a little  
10      better before we leave here this evening.

11             The first one being that the amended  
12      project may cause a new violation of the state  
13      one-hour NO2 standard. And staff's plan to deal  
14      with this potential issue is to work with the  
15      District and the project owner to limit the NOx  
16      emissions during transient periods so that it  
17      doesn't cause a violation of the standard.

18             The second air quality sub-issue is that  
19      the interpollutant trading ratio determination  
20      process could significantly delay the amendment  
21      process. And that is the interpollutant trading  
22      ratio determination process that is typically  
23      done. Because it's a rather long process and as  
24      you've seen the schedule a little bit, and the  
25      schedule's coming up here again in a minute, it

1 would be rather difficult to try to accomplish  
2 that in the timeframe we're looking at with this  
3 amendment.

4 So the plan at this point is for staff  
5 to work with the District, the Air Resources  
6 Board, USEPA and the project owner to find an  
7 alternative method to determine that ratio.  
8 That's probably going to be the most significant  
9 activity of the three that I'm going to talk  
10 about.

11 And the last sub-issue is the lack of  
12 specific offsets. And staff will work with the  
13 District and the project owner during this  
14 discovery phase, which is the work we do as we go  
15 through our analysis before we produce the staff  
16 assessment, to identify specific emission  
17 reduction credits.

18 And I think this is where we may have a  
19 little difference between what has already been  
20 done and what staff is aware of, based on what we  
21 read in the petition, itself. This comment here,  
22 or this potential issue is based on what we  
23 reviewed in the petition, which may be not as  
24 complete or clear as what's actually happened in  
25 the real world. But we'll talk about that in a

1 minute.

2 And the proposed schedule. So, we've  
3 already gone through the first three of these  
4 items down through the site visit information  
5 hearing that we're doing this evening.

6 Next, as I mentioned previously, is the  
7 data requests that would be sent from staff to the  
8 applicant on December 20th. And then the  
9 responses are due by the 15th of January. And  
10 also we'll be expecting agency comments from any  
11 and all agencies that may have comments based on  
12 their review of the petition, itself, on the 17th  
13 of January of '07.

14 We plan to have a data response workshop  
15 on or near the 22nd of January. This is not a  
16 fixed date at this point. It depends on a couple  
17 different things, but we'll do the best we can to  
18 hold to this schedule. That applies to everything  
19 I'm saying beyond this point.

20 The staff assessment workshop -- maybe I  
21 misread that -- staff assessment -- well, excuse  
22 me, data response workshop, 22nd of January.  
23 Staff assessment is filed on the 19th of February.  
24 So staff will have about a month after the data  
25 response workshop to take all the information that

1 we hopefully have collected a rather complete,  
2 comprehensive overview of everything we need at  
3 that point so that we can, in fact, produce a  
4 comprehensive staff assessment by the 19th of  
5 February. And that, again, is a rough date at  
6 this point.

7 Then we'd have a staff assessment  
8 workshop, which is a public workshop that would be  
9 held here in the Hayward area. And that would be  
10 on or about the first of March.

11 So when we're talking about chances to  
12 provide input to this process, that's a very good  
13 opportunity to do that because the staff  
14 assessment will have been released about a month  
15 prior -- overspeaking that -- but somewhat prior  
16 before that workshop is held so that you'd have a  
17 chance to digest, read and review, consider  
18 everything you see in there and come prepared with  
19 written comments as best. But if that's not  
20 possible, then at least come and make your  
21 statement on the record for the Commission -- or  
22 the Committee to consider.

23 We also --

24 HEARING OFFICER KRAMER: -- staff  
25 workshop.



1                   MR. EDWARDS: Staff workshop. That is a  
2                   staff workshop. The Committee will not be in  
3                   attendance at that. And it also would not be  
4                   recorded. But that's why it's important to bring  
5                   written information, all the better to insure that  
6                   what you're trying to tell us gets properly  
7                   transmitted into the record, which would be the  
8                   docket file.

9                   We also would be expecting agency  
10                  comments on the staff assessment by the 5th of  
11                  March so that by the 28th of March we can produce  
12                  the errata that I previously spoke about.

13                 And then something in the neighborhood  
14                 of the 9th of April, the evidentiary hearing or  
15                 hearings would start. And I expect those would  
16                 also be here in the local area. But I'm not going  
17                 to speak to that at this point. It's not my call,  
18                 anyway.

19                 Proposed decision, it looks like it  
20                 would be about the 8th of May. And then there  
21                 would be a Committee conference on the decision,  
22                 to take any final input on the various views of  
23                 agencies and the public. But, in particular,  
24                 intervenors that may have joined in the process.

25                 And there is a close of -- well, the

1 Committee conference; and then there's a close of  
2 public comments on that proposed decision by about  
3 the 29th of May so that the Commission decision  
4 can be completed by approximately the 11th of  
5 June.

6 I think that concludes my presentation.  
7 (Pause.)

8 HEARING OFFICER KRAMER: Did the  
9 applicant have any comments on either the issues  
10 identification report or the proposed schedule?

11 MR. WHEATLAND: I would like to comment  
12 on the proposed schedule. The applicant supports  
13 the schedule that's proposed by the staff. We  
14 think it's a very reasonable schedule.

15 Once we receive the staff's data  
16 requests, we will be making an effort to provide a  
17 complete response to all of the questions as  
18 quickly as we possibly can. In the event that we  
19 are able to provide full responses to the staff's  
20 questions prior to the January 15th date, we would  
21 like to leave open the option of possibly holding  
22 the data response workshop prior to January 22nd  
23 in order to provide the staff with additional time  
24 to prepare the staff assessment.

25 But if it takes us until January 15th,

1       then certainly January 22nd would be a reasonable  
2       data. We, though, will be trying to provide the  
3       responses earlier than that date, if we possibly  
4       can.

5               And with that one small clarification I  
6       would say that we support this schedule.

7               MR. EDWARDS: Might I just say that that  
8       is fine, but the only thing is we need the ten-day  
9       notice of the workshop. So any prior notice from  
10      you to us about what date you expect to meet would  
11      be highly desirable so we can be at least ten  
12      days. We won't be able to move the workshop any  
13      closer than the ten-day point.

14              MR. WHEATLAND: Oh, absolutely. And I  
15      think what we can do is once we -- shortly after  
16      December 20th, once we see the questions we will  
17      be able to give you a pretty clear indication of  
18      when we'd expect the responses to be filed.

19              MR. EDWARDS: Thank you.

20              HEARING OFFICER KRAMER: Okay. One  
21      issue that I think we'd like both parties to have  
22      in mind and address ultimately in their reports is  
23      what affect the annexation has on the ability of  
24      the project to begin construction.

25              For instance, if annexation is delayed

1       for some reason, if you believe that the project  
2       could begin construction before that is legally  
3       complete and finalized, I think we'd like to see  
4       some legal authority for that. And also as a  
5       matter of planning policy.

6               My understanding is it would be rather  
7       unusual for a project to be built across a city/  
8       county boundary. But if I'm unaware of something  
9       I'd certainly like to know about that, as well.

10              MR. HATFIELD: We can certainly respond  
11       to that.

12              MR. WHEATLAND: And I think we have one  
13       additional comment on the air issues that were  
14       raised in the issues identification report.

15              MR. HATFIELD: Mr. Edwards had concluded  
16       that opportunity to clarify some of the points  
17       raised during his presentation. Be happy to do  
18       that. Take a minute or two, if that pleases the  
19       Commission.

20              HEARING OFFICER KRAMER: Go ahead.

21              MR. HATFIELD: Okay.

22              MS. McBRIDE: Just on the ERCs. The  
23       ERCs for this project have actually already been  
24       surrendered to the District. Because we already  
25       had the authority to construct that was

1 previously. So we have already surrendered all  
2 the NOx ERCs and all the VOC ERCs necessary for  
3 the project.

4 Those ERCs have -- well, they are --  
5 they were located in San Francisco on Hercules.  
6 So, those were the ERC certificates that were  
7 surrendered for the project.

8 As far as the interpollutant trade goes,  
9 that was another option that we were proposing for  
10 -- what we have approved currently is the  
11 fireplace retrofit program for the CEQA mitigation  
12 required for the PM10. And we will have to work  
13 with your guys and the Bay Area to determine what  
14 the proper offset ratio is.

15 But it's basically an alternative.

16 MR. NGO: We'll work with you in it.

17 HEARING OFFICER KRAMER: Did any members  
18 of the Committee have any questions for the  
19 applicant or staff?

20 PRESIDING MEMBER GEESMAN: No.

21 ASSOCIATE MEMBER BYRON: No.

22 HEARING OFFICER KRAMER: Okay. Then  
23 now's the time for public comment, additional  
24 public comment. So, anyone who wants to speak  
25 please come up to the microphone and identify

1       yourself. Again, if it's the first time, please  
2       spell at least your last name for the benefit of  
3       our court reporter.

4               Does anyone wish to make any additional  
5       comments or ask any questions? Please come  
6       forward, sir.

7               MR. McCARTHY: Regarding my previously  
8       stated concern about the potential for emergency  
9       management issues, I listened very hard, and  
10      listening repeatedly, and what I hear a lot of is  
11      a total vacuum regarding the potential for  
12      emergency management issues.

13              Now, I'm wondering at this point, is it  
14      the perspective of the Commission that that's not  
15      an important subject? I'm going to leave what I  
16      have regarding what I brought up before. I have  
17      some word processing to do regarding the second  
18      letter I'm sending to the same locations I sent  
19      the one on the other power plant proposal. So who  
20      should I leave this with? And when, if ever, will  
21      I hear anything addressed regarding the emergency  
22      management potential for downwind, gas-fired,  
23      near-schools, as well as medium density housing?

24              HEARING OFFICER KRAMER: Before you go  
25      any further, please state your name, again, for

1 the court --

2 MR. McCARTHY: The name is John  
3 McCarthy. I'm a Hayward resident.

4 HEARING OFFICER KRAMER: Thank you. You  
5 can speak to Mr. Edwards, and he could put you in  
6 touch with the members of the staff who will be  
7 looking into your issues.

8 You might also look at the decision, the  
9 previous decision which may have addressed some of  
10 those concerns already.

11 MR. McCARTHY: I tried to look at the  
12 issue paperwork, I think it was 11 pages, online  
13 this afternoon. I find that the online site is  
14 not reliable or particularly accessible when it  
15 comes to locating that documentation long enough  
16 to be able to copy it.

17 HEARING OFFICER KRAMER: Well, talk to  
18 Mr. Edwards and get the -- or me, and we can give  
19 you the internet address. Maybe you should be the  
20 person to go home with this CD, because I think it  
21 has a copy of the Commission's decision on it,  
22 doesn't it?

23 MR. McCARTHY: I have the internet  
24 address. It doesn't do me much good if it can't  
25 follow through on the website.

1 HEARING OFFICER KRAMER: Okay. Well, I  
2 know we don't have those problems in my office, --

3 MR. MCCARTHY: Well, --

4 HEARING OFFICER KRAMER: -- but what I  
5 was suggesting that you look at is the Commission  
6 decision on the previous application, which is,  
7 it's more than 11 pages, it's probably 200 or 300.  
8 Actually I brought it; double-sided it's that  
9 thick. So, that may have answered your questions.

10 MR. MCCARTHY: Thank you.

11 HEARING OFFICER KRAMER: And I believe a  
12 copy of that is on that disk in pdf form if --

13 MR. MCCARTHY: Thank you.

14 MR. HATFIELD: Can I make a comment, Mr.  
15 Kramer?

16 HEARING OFFICER KRAMER: Sure.

17 MR. HATFIELD: Calpine would be please  
18 to provide CDs or hard copies either through the  
19 Commission or directly to members of the public,  
20 if that's helpful to them.

21 DR. DAVY: And in addition, if I may,  
22 just want to comment that in the license the  
23 Commission has issued, we're required by  
24 conditions of certification to prepare a hazardous  
25 materials management plan and a security plan.



1 And those provisions are in the decision. We'd be  
2 happy to help you find where in the decision  
3 that's stated.

4 HEARING OFFICER KRAMER: Because,  
5 remember, this is going to be an amendment to that  
6 decision. It's not a completely new decision.  
7 And to the extent that things in the old decision  
8 are still applicable, they're just going to carry  
9 forward probably without a lot of comment.

10 Because as Mr. Edwards said, he's going  
11 to focus on the changes rather than what's staying  
12 the same.

13 Any other public comments? Questions?  
14 Anything from, do the Committee Members wish to  
15 say anything in closing?

16 PRESIDING MEMBER GEESMAN: Well, I guess  
17 I will say in terms of the Committee's evidentiary  
18 hearing, if there are significant contested  
19 issues, or if the City requests it, we will have  
20 that hearing here in Hayward.

21 If at the point in time scheduled for  
22 that hearing there are no contested issues, we may  
23 not have it here; we may have it in Sacramento for  
24 the convenience of the staff and to try an  
25 minimize state travel costs.

1                   But if there are significant contested  
2                   issues or the City requests it, we will have the  
3                   evidentiary hearing here.

4                   MR. EDWARDS:   Also, if I may,  
5                   Commissioners and Paul, because we didn't have a  
6                   Public Adviser here today, what I'd like is  
7                   anybody who has any interest at all in learning  
8                   about what it takes, or what's involved with being  
9                   a intervenor, please see me.  I'd be happy to  
10                  follow up with you and make sure that the Public  
11                  Adviser gets in contact with you so you understand  
12                  what's involved with that, the benefits and the  
13                  disbenefits.

14                  Just the mere fact we didn't have a  
15                  Public Adviser here today, I can make sure that  
16                  you can actually get that information so you don't  
17                  have to walk away without it.  Thank you.

18                  HEARING OFFICER KRAMER:  And there's  
19                  also a lower level participation.  You could just  
20                  be on an email list to receive notice of the  
21                  documents were dockets and that sort of thing.  
22                  So, give Mr. Edwards your information if you want  
23                  to be on that list; and he can set it up for you.

24                  ASSOCIATE MEMBER BYRON:  I just would  
25                  add one thing.  I note that in a couple of the

1 issues identified in the staff report, it looks  
2 like we may have some time constraint concerns. I  
3 know you addressed some of those, Ms. McBride, but  
4 I think we should pay attention to any issues that  
5 could jeopardize our six-month schedule and our  
6 efforts to complete that.

7 MR. McCARTHY: We will, and I think we  
8 have some alternatives, too, so.

9 ASSOCIATE MEMBER BYRON: Okay. Thank  
10 you.

11 HEARING OFFICER KRAMER: Okay, with  
12 that, the Committee will issue a scheduling order  
13 based on today's proceedings. Again, it assumes  
14 that everything, you know, the events before all  
15 occur in the time specified and will slip, as  
16 necessary, if there are delays.

17 Hearing no further questions or  
18 comments, this hearing is now adjourned. Thank  
19 you for coming; and thank you to the City for  
20 providing this place for us to hold the meeting.

21 (Whereupon, at 6:18 p.m., the hearing  
22 was adjourned.)

23 --o0o--

24

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## CERTIFICATE OF REPORTER

I, PETER PETTY, an Electronic Reporter,  
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